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POLICIES AND PROCEDURES FOR THE ADMINISTRATION OF THE 2003-2004 CLASSIFICATION AND COMPENSATION PLAN

I. POLICIES AND PROCEDURES

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POLICIES AND PROCEDURES FOR THE ADMINISTRATION OF THE 2003-2004 CLASSIFICATION AND COMPENSATION PLAN

This Classification and Compensation Plan is part of the 2003-04 Operating Budget, as approved by the Board of Supervisors, **and is effective June 21, 2003.**

1. Pay Philosophy:

In an effort to attract, motivate, and retain quality employees committed to providing a high level of public service, it is the County's philosophy to maximize external market competitiveness while maintaining internal equity. At no time shall race, religion, creed, color, gender, national origin, age, or disability be considered in making any classification or compensation decisions.

2. Job Evaluation System:

Internally consistent pay relationships are based on the content of the work performed, the skills required and the relative contribution of the work to the County's overall objectives. Positions are evaluated at the time of creation and when duties and responsibilities have significantly changed. When points are assigned to a new position or changed as the result of a reclassification action, the points are compared to comparable positions in the County and supervisor-subordinate point analysis is conducted. Points are then converted to a pay grade.

3. Maintenance of the Compensation Plan:

The Department of Human Resource Management (HRM), under direction of the County Administrator, is responsible for administration and maintenance of the Compensation Plan. On a continuous basis, HRM staff monitors the market and local compensation trends. Every other year, HRM staff conducts a comprehensive benchmark survey of County positions to ensure County pay rates remain competitive in the market. Regrades based on market rates are recommended at that time.

The Department of Human Resource Management also conducts continuing studies of the internal relationships between classifications to ensure internal equity. Based upon an analysis of salary data, turnover, recruitment effectiveness, incumbents' salaries, economic conditions and the County's ability to pay, the County Administrator will annually recommend to the Board of Supervisors increases, reductions, or amendments to the Compensation Plan as deemed necessary. The County Administrator may make revisions to the Compensation Plan throughout the fiscal year at his discretion.

4. Definitions:

- A. Acting Appointment - The temporary assignment of an employee to a vacant position in a higher classification for a period of at least 60 days, pending recruitment and selection. (See section 8)
- B. Classification - A group of positions that perform similar duties, require similar qualifications, and are compensated in the same salary grade.
- C. Compression Increase – An increase that is intended to distribute the salaries of employees throughout their respective ranges based on years of full-time service.
- D. Demotion - The voluntary or involuntary assignment of an employee to a different position in a classification with a lower salary grade than the employee's current position. (See section 11)
- E. Effective Date - All personnel transactions that impact an employee's pay are effective the first day of the pay period that the transaction occurs. Exceptions require a memorandum to the Department of Human Resource Management.
- F. Exempt Employee (E) - An employee who is exempt from guidelines and regulations established by the Fair Labor Standards Act (FLSA).
- G. Index of Classifications - A list of authorized classifications and the salary grade and FLSA designation for each.
- H. Merit Date - The date on which an employee is eligible for a performance evaluation and a merit increase; generally the employee's hire date. Employees who are on leave without pay for more than 30 days (who are not on FMLA) shall have their merit date adjusted month for month. Demotions, promotions and transfers change an employee's merit date to the first day of that pay period.
- I. Nonexempt Employee (N) - An employee who is subject to guidelines and regulations established by the Fair Labor Standards Act (FLSA).
- J. Pay Structure Adjustment - A percentage increase to the pay structure effective the first day of the fiscal year. Employees whose salaries are less than the new range minimum due to a pay structure adjustment shall be raised to the new minimum effective June 21, 2003.
- K. Position - A group of currently assigned duties and responsibilities that

require the full-time or part-time employment of one person. All new full-time positions must be authorized by the Board of Supervisors.

- L. Promotion - The selection of a current full-time employee in a competitive recruitment process to fill a position in a classification having a higher salary grade than the employee's current position. (See section 10)
- M. Reclassification - A personnel transaction approved by the Director of HRM that occurs when position duties and responsibilities have changed substantially, resulting in an increase or decrease in job content points, sufficient to change the salary grade assigned to that position. (See section 12)
- N. Regrade – An increase in salary grade assigned to a classification, as a result of market movement, effective the first day of the fiscal year. Employees whose salaries are less than the new range minimum due to a regrade shall be raised to the new minimum effective June 21, 2003.
- O. Trainee – A new employee with less than the minimum qualifications to perform the job. (See section 7B).
- P. Transfer - The voluntary or involuntary assignment of an employee to a different position with the same salary grade, resulting from recruitment or managerial action. Also, the reassignment of an employee to a different supervisor. (See section 9)
- Q. Underfill - The filling of a vacant position at a lower classification than that which is authorized. Removal of an employee from underfill status changes the employee's merit date and requires written justification and HRM approval. The employee's salary will be reviewed on a case-by-case basis, but will be increased to at least minimum of the new range.

5. Merit Increases:

Merit increases are awarded as a result of employee performance. Employees who meet the expectations of their position will receive a merit increase of 2.5% in FY04.

In addition to the merit increase, all **full-time** employees will also be eligible for a compression increase of \$25 per year of full-time service. Years of service will be calculated as of June 30, 2003, but the increase will be awarded on the employee's merit date. Employees failing to meet expectations may receive less than the full merit increase.

Any increase received on June 21, 2003 to bring an employee's salary to their range minimum as the result of a regrade or a pay structure adjustment shall be offset

against the merit increase received that fiscal year. The balance of the merit increase, if any, is awarded on the employee's merit date. Then the compression increase is added to the new salary. Employees who receive a regrade or a pay structure increase equal to or larger than what their merit increase would be are given the compression increase in addition to the regrade and a July 1 merit date and are not eligible for another merit increase until the following fiscal year. At the department's discretion, non-probationary employees who receive a pay structure adjustment increase within \$500 of their merit increase may be assigned a July 1 merit date and receive their full merit increase and compression increase at that time.

If the department chooses not to process regrades or pay structure adjustments in that fashion, the employee will receive an increase to range minimum on June 21, 2003 and the remainder of their merit increase plus the compression increase on their merit date. HRM may authorize adjusting an employee's merit date when necessary.

An employee's salary may not exceed maximum of their range. Employees at maximum of their range may receive a lump sum in lieu of all, or a portion of, their merit increase and compression increase at the discretion of the Department Director/Office Administrator. Lump sums should be documented on the employee's Personnel Action Form and forwarded to HRM for processing. An employee may choose to defer all or a portion of the lump sum payment into a deferred compensation account, i.e. ING or Nationwide Retirement Solutions, Inc. If this is the case, the liaison should note this on the personnel action form and the employee should notify HRM directly to fill out the necessary forms.

6. Cash Awards:

Based on their performance, employees may also be eligible for two types of cash awards (Celebrating Success Award and First Choice Award). Refer to Administrative Procedure 6-14.

7. New Hires:

Every effort should be made to recruit and select a qualified employee within the first quartile of the range. Exceptions may be granted in the following cases:

- A. Hire within Grade:** Department Directors/Office Administrators have the discretion to authorize a salary in the first quartile of the position's range. If a new employee substantially exceeds the minimum qualifications of the position, a salary higher than the first quartile may be necessary. If a salary higher than the first quartile of the range is necessary, written justification should be directed to HRM for approval prior to making the job offer. New

hire salaries above range midpoint require County Administrator approval. Refer to Administrative Procedure 6-7.

For purposes of internal equity, Department Directors are encouraged to research salaries of current employees within their department and take this into consideration when making salary offers.

- B. Trainee: If it becomes necessary to appoint a new employee with less than the minimum qualifications, the employee should receive a "trainee" rate of 5% or 10% below the minimum salary for the classification. "Trainees" are limited to 12 months in such status, at which time they must be moved to the minimum of the range, or terminated. Extensions to the 12-month period may be approved by HRM. Removal from trainee status establishes a new merit date.

8. Acting Appointments:

Acting appointments may be made for *vacant* positions only. They are temporary assignments, pending recruitment and selection, and shall not be used for promotional purposes. Employees may not serve in an acting capacity for less than 60 calendar days. Prior to the beginning of acting status, the department shall send a memorandum to Human Resource Management requesting authorization for such action and specifying the estimated duration of the acting assignment.

The salary of the acting appointee is adjusted to the minimum salary of the grade in which appointed, or to a rate 5% above the employee's current salary, whichever is greater. At the end of acting status, unless the employee is promoted permanently to the position, the employee's rate of pay is adjusted to that received prior to appointment to acting status. If an employee is in an acting capacity on the employee's merit date, the performance appraisal is based on the employee's performance in the non-acting position and the increase is calculated using the pre-acting salary. After the merit increase and compression increase are awarded, the 5% acting pay is added back to the new salary.

9. Transfers:

An employee transferred to a position with a different supervisor (in the same, or a different department) is eligible for a prorated merit increase (based on performance) offset by any amount received as a result of a regrade or pay structure adjustment. An employee transferred during probation is not eligible for a prorated merit increase. Transfers to another department may result in a negotiated reduction in pay if substantial retraining is necessary or if a funding or internal equity concern exists.

The employee's merit date will be changed to the transfer date, and EDP factors and examples should be prepared to reflect new duties and responsibilities. A completed Personnel Action Form and evaluation of performance prior to the transfer must be forwarded to HRM. The evaluation may be in the form of a short memorandum, rather than the complete EDP form.

For transfers within the same department, a prorated merit increase and change in merit date is not required as long as the department can coordinate the evaluation internally (i.e. both supervisors exchange relevant information in order to complete the employee evaluation). This can be done at the Department Director/Office Administrator's discretion.

10. Promotions:

Promoted employees receive a new merit date and are eligible for the following:

- A. A prorated merit increase** is calculated based on the number of pay periods completed between the employee's last merit date and the promotion date. Employees who receive a regrade or pay structure adjustment increase on June 21, 2003 and are subsequently promoted receive a prorated merit increase with the regrade or pay structure adjustment increase offset. If the prorated merit is less than the regrade or pay structure adjustment increase, the employee will not receive the prorated merit. A performance appraisal shall accompany the Personnel Action Form. The evaluation may be in the form of a short memorandum, rather than the complete EDP form.
- B. A promotion increase** of 10% is calculated on the employee's salary after the prorated merit increase has been added. Employees compensated below the minimum of the range after the promotion increase will receive an increase to the new range minimum. The Director of HRM may approve an increase less than 10% or an additional increase up to midpoint of the salary range with appropriate justification. An increase above range midpoint requires approval from the County Administrator. Such transactions require written justification to HRM from the Department Director/Office Administrator.

Promotions in Public Safety may be handled according to specific departmental policies.

11. Demotions:

The salary of the demoted employee can be reduced by any amount as long as the salary is within the employee's new range, but must be reduced by at least 5% or to the maximum of the new range, whichever is lower. The demoted employee is not

eligible for a prorated merit increase even if the demotion is voluntary. For voluntary demotions only, the Department Director/Office Administrator may approve continuing the employee's salary at the rate of pay prior to demotion provided such salary falls within the range of pay for the new position. In all cases, the demotion date becomes the employee's new merit date. A memorandum containing the circumstances surrounding the demotion should accompany the employee's Personnel Action Form.

12. Reclassifications:

Reclassifications are effective the first day of the pay period in which approved, unless otherwise noted in the study report, attached comments or annual budget. An employee's merit date does not change as a result of a reclassification.

When a position is reclassified to a higher salary grade, the incumbent is eligible for a 5% increase to base salary, or increase to minimum of the new salary range, whichever is higher. Such increases are not available to probationary employees unless the employee's current salary is below the minimum of the new range. Refer to Administrative Procedure 6-8 for further details.

13. Overtime Pay, Compensatory Time:

Refer to Administrative Procedure 6-17.

14. Part-time Employment:

Unless stated otherwise, part-time employees are governed by the same compensation policies as full-time employees:

- A.** When a current part-time employee is hired for a full-time position, the hire date into full-time status shall become the employee's merit date. The employee is considered a new employee and does not receive a prorated merit increase or promotional increase. The Department Director/Office Administrator can offer starting pay within the first quartile of the salary range. (See section 7).
- B.** When a full-time employee changes to part-time status, it is considered a change of employment status with loss of full-time benefits. Once the employee and department have negotiated an acceptable salary within the range assigned to that classification, a memorandum should be sent to HRM for approval. The date of the status change becomes the employee's new merit date.

- C.** For information on benefits eligibility criteria for part-time employees, refer to Administrative Procedure 6-11.